

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 3, 2000

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 3, 2000 commencing at 7:03 a.m.

A. ROLL CALL

Present: Council Members – Hitchcock (arrived at 7:07 a.m.), Land, Nakanishi, Pennino and Mayor Mann

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays and City Clerk Blackston

B. CITY COUNCIL CALENDAR UPDATE

City Clerk Blackston reviewed the Mayor's and Council Member's Weekly Calendar (filed).

C. TOPIC(S)

1. "AT&T Broadband Presentation"

Deputy City Manager Keeter introduced Susan Ritchie with AT&T Government Affairs Relations and Doug Kyler, Special Projects Manager of the West Division.

Susan Ritchie reported that AT&T's investment in Lodi and acquisition of MediaOne is essential to the company's strategy. The 1996 Telecommunications Act opened telecommunications to a variety of competitors. AT&T redefined their company from a resale to a facility-based company. She explained that "facility-based" means owning networks. The industry saw facility-based providers as the best way to provide consumer competition (i.e. lower prices, innovative services). The downside to a facilities-based network is that as networks are built, cities suffer the consequences in terms of "green boxes" in their yards, pedestals, power supplies, etc.

Ms. Ritchie noted that AT&T has moved from narrow to broadband. Telecommunications is broadband, which Ms. Ritchie described as "a lot of data moving quickly down the pipe." AT&T is also changing from circuits to packets and will be deploying a different type of switching that will be blind to the type of signals that go up and down the pipes. Ms. Ritchie stated that long distance networks are already packet switched. AT&T will soon be testing packet switching in the local cable market. These packets, referred to as Internet Protocol Telephony (IPT), will carry voice, data, and video. The signals are chunked into small packets that are dissembled when they leave homes and reassembled when they come back into homes. She commented that it is a very efficient way of switching signals. Ms. Ritchie stated that AT&T had been exchanging voice traffic with the incumbent telephone company at a great cost. For this reason, in 1998, AT&T embarked on a mission to acquire entry into local businesses and homes. AT&T acquired MediaOne in June 2000. MediaOne, and now AT&T, have invested in deploying an advanced digital network in Lodi. Ms. Ritchie stated that the "end game" for AT&T is called the bundle, which will provide long distance, wireless, TV, and high speed internet data to homes on one bill.

Doug Kyler explained that during the Lodi rebuild they had to address long amplifier cascades which cause difficulty in maintaining the system and greater maintenance costs. They deployed fiber optics further into the system to improve picture quality and reliability. Standby power supplies were added throughout the system and will be expanded to a four-hour standby power capacity. Bandwidth was expanded to 750 megahertz. AT&T has launched a high speed internet service called "roadrunner" and plan to offer digital telephone service in the local area. Mr. Kyler reported that the total cost of these improvements was over \$3 million.

Continued October 3, 2000

In response to Council Members comments regarding customer service, Mr. Kyler stated that when work needs to be done on residential property, AT&T representatives will make personal contact with the residents as well as the adjacent property owners prior to beginning work. Ms. Ritchie added that a greater regional and local focus is being planned. Public relations personnel will work closely with customers.

In reply to City Manager Flynn, Ms. Ritchie explained that the broadband network is engineered to be a residential network. AT&T custom builds networks to meet the unique needs of businesses. Architecture, design, and price structure is different for industrial uses.

In response to Public Works Director Prima, Ms. Ritchie reported that AT&T operates a shared network. She stated that the value of their services over their competitors is in pricing.

D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

E. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at approximately 8:02 a.m.

ATTEST:

Susan J. Blackston
City Clerk

Mayor's & Council Member's Weekly Calendar

WEEK OF OCTOBER 3, 2000

Tuesday, October 3, 2000

- 7:00 a.m. Shirtsleeve Session. The topic(s) is:
 1. AT&T Broadband Presentation
 Reminder: Please bring your calendars to review with staff.
- 8:00 – 12 noon Flu shots at City Hall.
- 4:00 p.m. Electric Utility's 5th Annual Employee Picnic, Lodi Lake Park Youth Area.

Wednesday, October 4, 2000

- 7:00 p.m. City Council meeting. Summary of meeting follows:
 6 Presentations
 13 Consent Calendar items
 One Public Hearing
 3 Regular Calendar items
 One Ordinance
 No Closed Session items

Thursday, October 5, 2000

- 1:00 – 5:00 p.m. Flu shots at City Hall.

Friday, October 6, 2000

Saturday, October 7, 2000

- 8:30 – 3:30 p.m. Hitchcock and Pennino. Seventh Annual Business Leadership Summit, Stockton.

Sunday, October 8, 2000

- 3:00 – 6:00 p.m. Lodi House Benefit, Jessie's Grove Winery.

Monday, October 9, 2000

- 7:00 p.m. Mann. The Grape Escape RV Caravan Club's Fall Rally, Lodi Grape Festival Grounds. Mayor to give 5 minute welcome speech to group.

filed 10-3-00



BROADBAND

LODI REBUILD

Eliminate long amplifier cascades

Deploy fiber optic technology

Improve system reliability

- **Add stand-by power supplies throughout system**
- **Replace coax trunk lines with fiber**

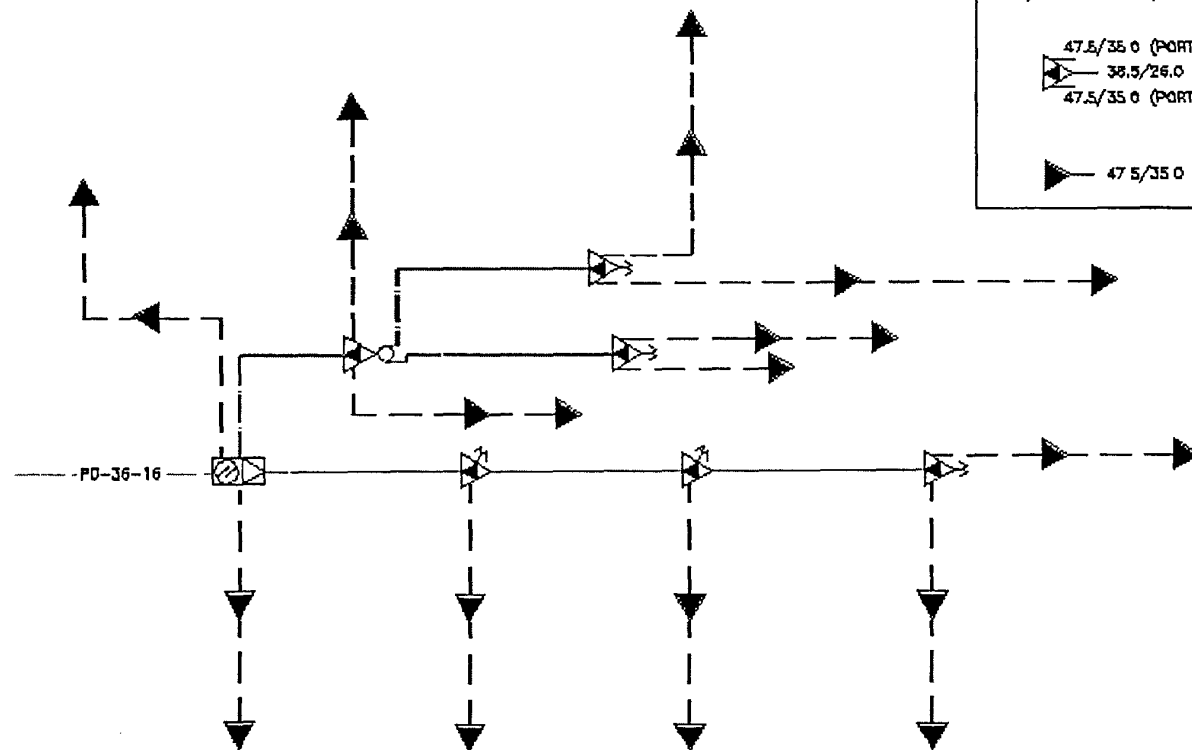
Expand bandwidth to 750 Mhz & Add channels

Launch Roadrunner Service (HSD)

Launch Digital Telephone Service (DTS)

Cost of over \$3 million

MEDIAONE
750 ARCHITECTURE CASCADE
RF-CASCADE SPECS



38.5/28.0 38.5/28.0
38.5/28.0 38.5/28.0

OPTICAL RECEIVER NODE

47.5/35.0 (PORT 4)
38.5/28.0 (PORT 2)
47.5/35.0 (PORT 3)

EXPRESS AMPLIFIER

47.5/35.0

LINE EXTENDER

NOTES:

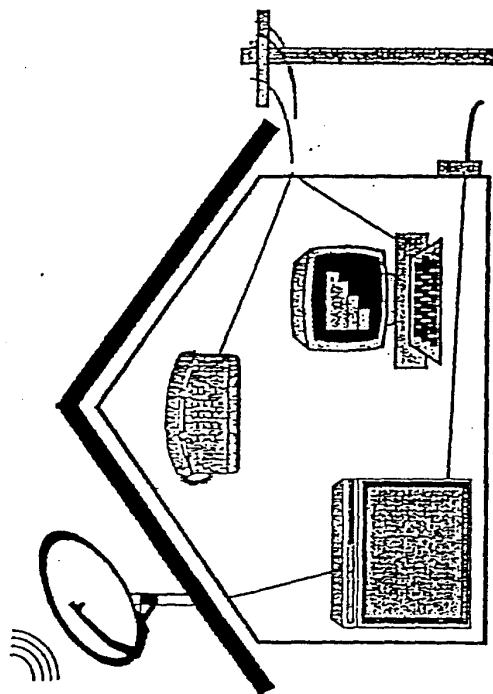
- 1.) MUST BE LESS THAN 40 db (+5%) OF
CABLE LOSS FROM NODE OR EXPRESS
AMPLIFIER TO LAST LE IN CASCADE.
- 2.) OUTPUT LEVEL INDICATED @ 750/54 MHz

05-26-98

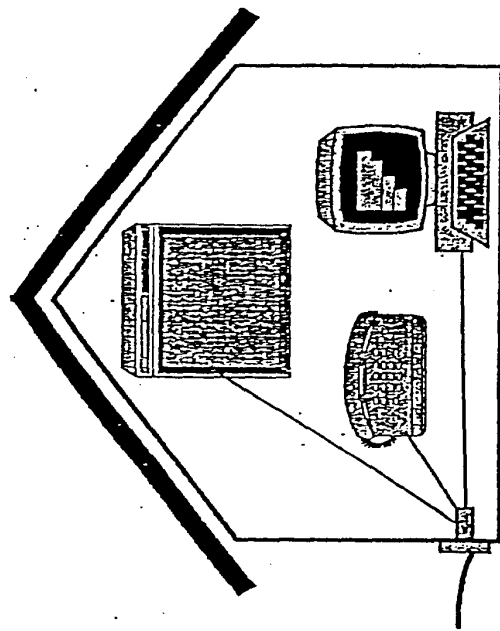
MediaOne

This is Broadband. This is the way.

A Non-Broadband House



A Broadband House



Goals for Lodi System

Complete Node Certification and launch Roadrunner Service (HSD) throughout community. Complete by end of 2000.

Begin preparations for DTS (digital telephone service)

DIGITAL TELEPHONE SERVICE (DTS)

Preparations required:

- Up to 4 hours standby power capability
- Attach extended cabinet to existing power supply to add 3 additional batteries.
- Place pedestal near aerial power supply location.
- Install vault near power supply (UBV).
- Install status monitoring equipment at power supply locations.
- Change distribution tap to 90v system.
- Change pre-wire box at subscriber's home to NIU box.

Timeline:

- Begin adding equipment April 2001.
- Complete installations and offering service the end of 2001.



International Operations and Ventures

- AT&T Concert **Virtual Network Service** carries multinational corporations' voice and voice-band data
- AT&T and BT global venture, **Concert**, reaches 237 countries with 6,000 private-line nodes and 200,000 private-line circuits
- AT&T Concert **Inbound Service** enables multinational corporations to operate **call centers** across multiple countries with advanced routing and traffic-management features. Companies can receive calls in 17 countries from callers in 45 countries.



AT&T Labs

- Discovers and develops technologies driving the future of broadband, wireless and IP
- Created **LightWire** neighborhood broadband system, future-proof, two-way cable infrastructure
- Developed advanced capabilities in **EDGE**, the world standard for third-generation wireless systems
- Leader in fundamental research, tools and technology development for the management of high-quality, large-scale **global networks**
- Files an average of **two patents** per business day
- Home to more than 2,500 of the industry's **best scientists** and engineers. More than 80 percent of Research group has Ph.Ds.
- **Global operation**, with major presence in the United Kingdom at AT&T Laboratories-Cambridge and in Redditch, England
- Operates the AT&T Center for **Internet Research** in conjunction with the International Computer Science Institute and the University of California at Berkeley



AT&T Honors/Achievements

- In the J.D. Power and Associates 1999 U.S. Wireless Customer Study, AT&T received the **highest customer-satisfaction** rating in nine of 13 markets.
- In January 2000, *PC Computing* magazine rated AT&T Wireless the **best wireless network in the country** and one of the best wireless packet-data networks across the United States.
- AT&T Global Virtual Private Network services won *Network Magazine's* "Product of the Year Award" in April 2000 and for best "Global Remote Access Service" in May 2000.
- *Network Computing Online* gave AT&T a 1999 **Well-Connected Award** for E-Commerce Host Service Provider.
- A 1999 *Data Communications* magazine survey listed AT&T as **best overall for Internet access**, dedicated Private Line services and Frame Relay.
- *Data Communications* 1999 Users' Choice Award rated AT&T the "**Best International Leased Lines**" and the "**Best International Frame Relay provider**."
- AT&T Solutions was rated the "**Worldwide Leader in Network Integration**" in *Upside/Downside* magazine's "E-Business 150 Winners and Losers."
- *Network Magazine* named AT&T Solutions the winner in "Outsourced Network Management."
- The AT&T IP Services Web site received an award in the "**Best Business-to-Business Commerce Site**" category at the 2000 @ad:tech Awards.
- A 1999 Yankee Group survey found consumers who use AT&T as their primary long distance carrier rated the company highest in five of eight categories of **customer satisfaction**: professional and courteous personnel, timely resolution of problems, quick access to customer service, trustworthiness and deserving of loyalty.
- AT&T WorldNet Service was rated No. 1 in *Network World's* Top ISPs list.
- April 2000 marked the 13th consecutive month in which AT&T WorldNet Service earned A+ scores in four or more measurement categories in *Visual Network's* survey of **Internet-service providers**. WorldNet was the only ISP to earn A+ scores in seven out of nine survey measurement categories.
- AT&T "00" INFO service was awarded Frost & Sullivan's (a telecommunications analyst organization) **Market Engineering Leadership Award** in May 1999. They said AT&T's "00" INFO service started a "new competitive era in the provisioning of directory-assistance services" by bringing the human factor back into the increasingly automating directory-services market.
- AT&T received Wal-Mart Stores' "**Supplier of the Year**" award for our pricing, shipping, marketing innovation, customer service and overall product performance. Additionally, AT&T PrePaid Cards were cited for excellence in the impulse merchandise category.
- No. 8 in *Fortune* magazine's 2000 ranking of America's largest companies (based on 1999 revenue).
- *NetworkWorld* magazine cited AT&T as one of the "**Ten Most Powerful Companies in Networking**."
- AT&T Accessible Communications Services was recognized at the National Easter Seals Society's 10th Annual EDI Awards, which honors print and broadcast media, advertisers, and their agencies and companies for positive portrayal of people with disabilities.
- AT&T employees and retirees donated more than **400,000 hours of community service** as part of the AT&T CARES program in 1999.
- In 1999, the AT&T Foundation donated **\$45 million to nonprofit organizations** in communities throughout the United States and around the world.



Worldwide Intelligent Network



AT&T Wireless Group



AT&T Broadband



AT&T Business Services



AT&T Consumer Services



International Operations and Ventures



AT&T Labs



AT&T Honors/Achievements

Delivering on commitment of becoming an any-distance, any-service global company

Provides services to virtually every country and territory around the world

Approximately 80 million customers include consumers, businesses and governments

Employs some 147,000 people

4.2 million shareowners; one of the most widely held stocks in the United States

1999 annual revenues exceeded \$62 billion*

1999 profits in excess of \$5 billion*

*as reported in the AT&T 1999 Annual Report





Worldwide Intelligent Network

- The world's largest, most-sophisticated communications network regularly handles **300 million calls a day**
- Internet protocol (IP) traffic growing **400 percent** a year
- Handles more than 675 terabytes – **675 trillion bytes** – of data each weekday
- Will be among the first to deploy optical switching to deliver new, **high-speed optical circuits** in minutes, not days
- More than **53,000 route-miles** of fiber optics in the United States, enough to circle the globe more than twice
- First in the industry to offer **OC-192 service** (4Q1999), the highest-speed, commercially available optical circuit
- Leading the deployment of **EDGE** (Enhanced Data for GSM Evolution) wireless technology, delivering always-on, 384 kilobits-per-second data services
- Spending three times as much on **data/IP** and Wireless programs as on the core voice network
- By year-end 2001, will complete installation of **16,500 route-miles** of the latest-generation fiber-optic cable to supply customers in 30 major metropolitan areas with 10 gigabit service, capable of being upgraded to 40 gigabits when that technology is available



AT&T Wireless Group

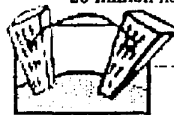
- AT&T has one of the largest digital-wireless networks in North America and more than **12.5 million subscribers** in the United States. Licensed service covers **95.8 percent** of the U.S. population.
- Changed the wireless industry and how people use their wireless phones with AT&T **Digital One Rate**. Nearly **2 million people** have signed up for the first national one-rate wireless-service plan that eliminates separate roaming and long distance charges.
- First to provide **data services** using wireless phones
- Provides wireless data services to consumers and businesses with **AT&T Digital PocketNet Service**
- First company to provide **fixed wireless** service for voice and high-speed data into people's homes
- Leading effort to unite **TDMA and GSM** technical standards to allow wireless phones to support high-speed data applications, as well as voice calls, anywhere in the world

- Partnering with **BT** to develop seamless roaming service between the United States and Europe
- Wireless Group tracking stock was the largest initial public offering in U.S. history



AT&T Broadband

- More than **11 million video customers**; after MediaOne merger the number of customers will exceed 15 million
- Nearly **90 percent** of customers are in the top 25 markets
- Post MediaOne Group merger, nearly **80 percent** of customers will be in the top 12 markets, including: Boston, Pittsburgh, Atlanta, Miami, Chicago, Dallas, Denver, Seattle, Portland, Sacramento, San Francisco and Los Angeles
- Industry leader in the deployment of **digital video**, with **2 million** customers
- Has introduced **digital-cable-telephone** service in 10 markets
- More than **55,000 digital-telephone** customers by April 2000; by year-end the number of customers will be 400,000
- More than **300,000 customers** for high-speed Internet access (AT&T *@Home*) through April 2000; by year-end the number of customers will be 700,000
- Merger with MediaOne Group will extend broadband reach to an additional **8.5 million** homes
- Once all merger transactions are completed, will pass some **26 million** homes across the United States



AT&T Business Services

- **Unmatched portfolio** of communications services – including local, domestic and international long distance, data, wireless messaging, electronic commerce and Internet protocol (IP)
- **AT&T Business Network** provides mid-sized businesses with an integrated set of communications services – local, long distance, wireless, data and IP – as well as a secure, Web-based “virtual telecom department” that supports online ordering, account inquiry and management, maintenance and electronic billing and remittance
- **AT&T Data and Internet Services** has leading market share in private line, frame relay and ATM services. AT&T is aggressively investing in IP infrastructure, and was the first major ISP to carry traffic on an OC-192 link.

- IP presence of more than 2,000 dial-access points of presence in 59 countries and 850 cities, and more than **400 percent** annual growth in capacity and traffic
- Launched “**Ecosystems for ASPs**,” a network-services platform with a comprehensive co-marketing and distribution program that will enable application services providers to quickly and easily deliver high-performing and reliable network-based applications
- AT&T is an industry leader in **e-enabling** its processes so customers can provision service, check order status, initiate and track maintenance requests, monitor their networks, review their account and pay bills online. More than 50,000 businesses use the Web to complete more than 1 million online transactions with AT&T every month.
- AT&T, BT and Concert will invest **\$2 billion** over three years to deliver seamless, global **e-commerce** services via a network of 44 Internet data centers in 16 countries on five continents. AT&T hosts more than 9,000 business Web sites.
- **AT&T Solutions**, which provides managed-network services, networking integration and call-center consulting, ended 1999 with signed contracts for long-term business that has the potential for **\$11 billion in revenue**



AT&T Consumer Services

- Provides a broad range of **consumer-communications options**, including domestic and international calling plans; local, local-toll, long distance and transaction-based services; and online services to help customers connect in ways most useful to them
- Serves **60 million** customers; long distance market leader
- Nearly 8.5 million customers on our **AT&T One Rate** domestic long distance offers
- In 1999, generated **revenues** on a par with Disney and earnings before interest and taxes (EBIT) twice that of Coca-Cola, helping fuel growth opportunities across AT&T
- **Local sales effort** on track with more than **300,000** local-offer sales in New York and more than **130,000** in Texas at end of first quarter 2000
- **AT&T WorldNetService** (www.att.net) is one of the leading Internet-service providers (ISPs) in the United States, earning top ratings in 1999 for network reliability and quality customer care in *PC World* magazine, *PC Magazine* and *SmartMoney*.
- Offers international toll-free calling to the United States from more than **70 countries**
- AT&T *Direct* Services available in more than **150 countries**



News Release

AT&T Broadband

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FOR IMMEDIATE RELEASE: August 25, 2000

**AT&T BROADBAND BRAND REPLACES MEDIAONE
IN STOCKTON AREA**

***Company Will Aggressively Roll-out New Services Throughout Old MediaOne
Service Areas Affecting Nearly 900,000 California Customers***

El Segundo, Calif. – AT&T Broadband today unveiled a new AT&T brand in the Stockton area supported by an aggressive and informative advertising and marketing campaign. In California, more than 900,000 customers will be affected by the change. In addition to Stockton, cable system service areas affected include Los Angeles and Fresno in California; Atlanta; Boston; Cleveland; Jacksonville and South Florida; Richmond, VA. and St. Paul, MN. AT&T completed its acquisition of MediaOne on June 15.

The consolidated company makes AT&T Broadband the nation's leader in broadband services and a key participant in the powerful California business community. The move unites AT&T Broadband systems across the country under one name representing AT&T's effort to provide consumers greater choice and value in its service areas.

New Name

In support of its new name, AT&T advertising will be experienced on radio and on-air television spots plus various newspaper and TV listing guide print ads as well as direct mail pieces to nearly 900,000 homes. AT&T Broadband hopes to clearly establish its new value to customers and the communities it serves.

-more-

During the next several weeks, the AT&T brand name will begin to appear in all aspects of company business from building signage to service trucks, and employee uniforms to advertising. Effective today, customers calling former MediaOne offices will be greeted by representatives answering "AT&T Broadband, formerly MediaOne."

New Services

Under new leadership at system and regional levels headed by Teresa Elder, President, Broadband West, customers will be offered a wide array of exciting new broadband products. AT&T Road Runner service, offering access to the Internet up to 50 times faster than a standard 28.8 modem connection on a telephone wire, is now available in Stockton, Manteca and parts of San Joaquin County and is will soon be introduced in Lodi. AT&T Digital Cable, the new digital cable television service that enhances the home entertainment experience by offering an additional 152 channels of improved picture and sound quality, including a full range of Spanish-language programming will also be available in the near future.

Customers will be introduced to the AT&T brand names of service packages as well, including AT&T Cable (formerly MediaOne NexTV), AT&T Digital Cable (formerly MediaOne Digital NexTV), AT&T Digital Phone (formerly MediaOne Digital Telephone Services) and AT&T Road Runner (formerly known as MediaOne Road Runner).

New Community Programs

In addition to the local name change, AT&T Broadband plans to invest significantly in the existing MediaOne Cable in the Classroom program. This program involves making a high-speed Internet connection available to every school in its service areas as well as free guides and curricula to accompany the free video cable connection allowing access to hundreds of hours of commercially free educational programming. More programs will also be made available in some communities and information on these can be found at the AT&T Web page, www.att.com/community.

"I'm personally very excited about this transition," said AT&T Broadband President Teresa Elder. "Now all of our customers will become Broadband consumers with access to cutting-edge technology backed by AT&T's long-standing tradition of quality, innovation and value. AT&T is responsible for inventing many of the key technologies that have created the whole telecommunications industry. Furthermore, we are fully committed to providing a truly world-class service that will result in total customer satisfaction."

The majority of network upgrades are expected to be complete by the end of 2001.

About AT&T Broadband

AT&T Broadband, a business unit of AT&T, is the nation's largest broadband services company, providing analog and digital television entertainment services to about 16 million customers across the nation. The company also provides advanced services, such as high-speed cable Internet services and competitive local phone service. AT&T Corp. (NYSE:T) is the world's leader in telecommunications services and technology.

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AT&T Broadband

California Fact Sheet

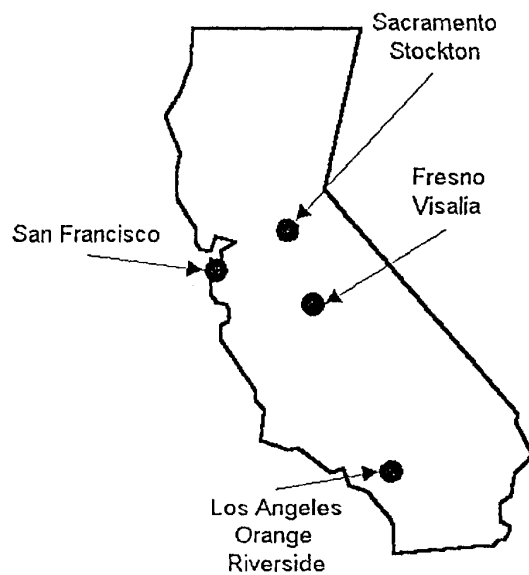
August 2000

Introduction

AT&T Broadband, a business unit of AT&T (NYSE:T), is the world's largest provider of broadband services, providing advanced communication services to approximately 28 million homes and more than 16 million customers in the U.S.

In California, the company's state-of-the-art, broadband network passes by more than 4.7 million homes, bringing advanced communications products and services to customers in San Francisco, LA, Sacramento, Fresno and Visalia.

AT&T Broadband currently serves more than 2.6 million cable customers in California and also provides digital video services, telephony and high speed cable Internet access in select market areas.



AT&T/MediaOne Merger

AT&T completed its merger with MediaOne June 15, 2000. In August, the companies completed the consolidation of broadband markets under the AT&T brand. This move unites AT&T Broadband systems across the state while providing consumers greater choice and value.

This transition will be good for competition. AT&T brings with it a long-standing tradition of innovation, leadership, quality and value. The company has staked its future on becoming the leader in new products, customer care and service.

California Fact Sheet

Broadband Network Upgrade

By the end of 2000, AT&T Broadband expects to have more than 75% of its network upgraded to >550 MHz, two-way plant. Networks in all of the company's major markets will consist of self-healing rings – to offer customers the quality and reliability they've come to expect from AT&T.

This state-of-the-art network will provide a full range of products enabled by Broadband technology, including analog and digital video, high-speed cable Internet access, digital telephone services, and other innovative offerings currently under development.

Brand Transition

Beginning August 23rd, customers in former MediaOne markets will be introduced to AT&T Cable and AT&T Digital Cable (formerly MediaOne NexTV and MediaOne Digital NexTV), AT&T Road Runner (formerly MediaOne Road Runner) and AT&T Digital Phone (formerly MediaOne Digital Telephone Services). Although product names and packaging will change, customers in former MediaOne systems should not expect significant changes to their products or bills as a direct result of the transition.



DIGITAL CABLE



DIGITAL PHONE



CABLE



ROAD RUNNER

Economic Impact of AT&T

AT&T Broadband is one of four domestic operating units owned by AT&T. While AT&T Broadband is part of the AT&T-branded "family" of companies, its operations are separate from those of AT&T Business Services, AT&T Consumer Services and AT&T Wireless Services.

AT&T Corp. is the world's leader in "any distance" telecommunications services and technology, and a major contributor to the state's economy.

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BROADBAND

Fact Sheet

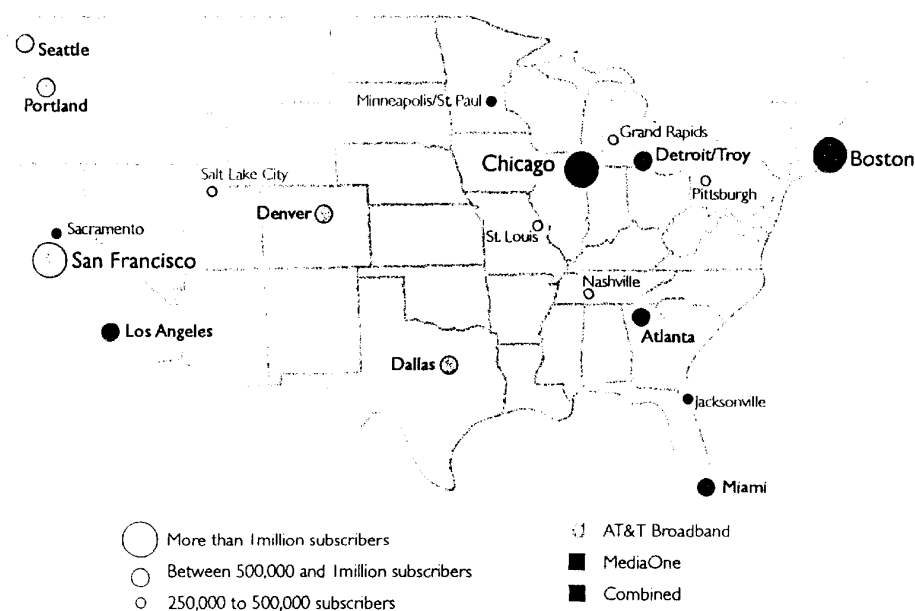
June, 2000

Introduction

AT&T Broadband is a leader in New Media providing advanced communications services to approximately 28 million homes and more than 16 million customers. With the March, 1999 acquisition of TCI, the June, 2000 acquisition of MediaOne Group Inc., and related transactions, AT&T Broadband is now the largest broadband/cable company in the world.

Major AT&T Broadband Markets

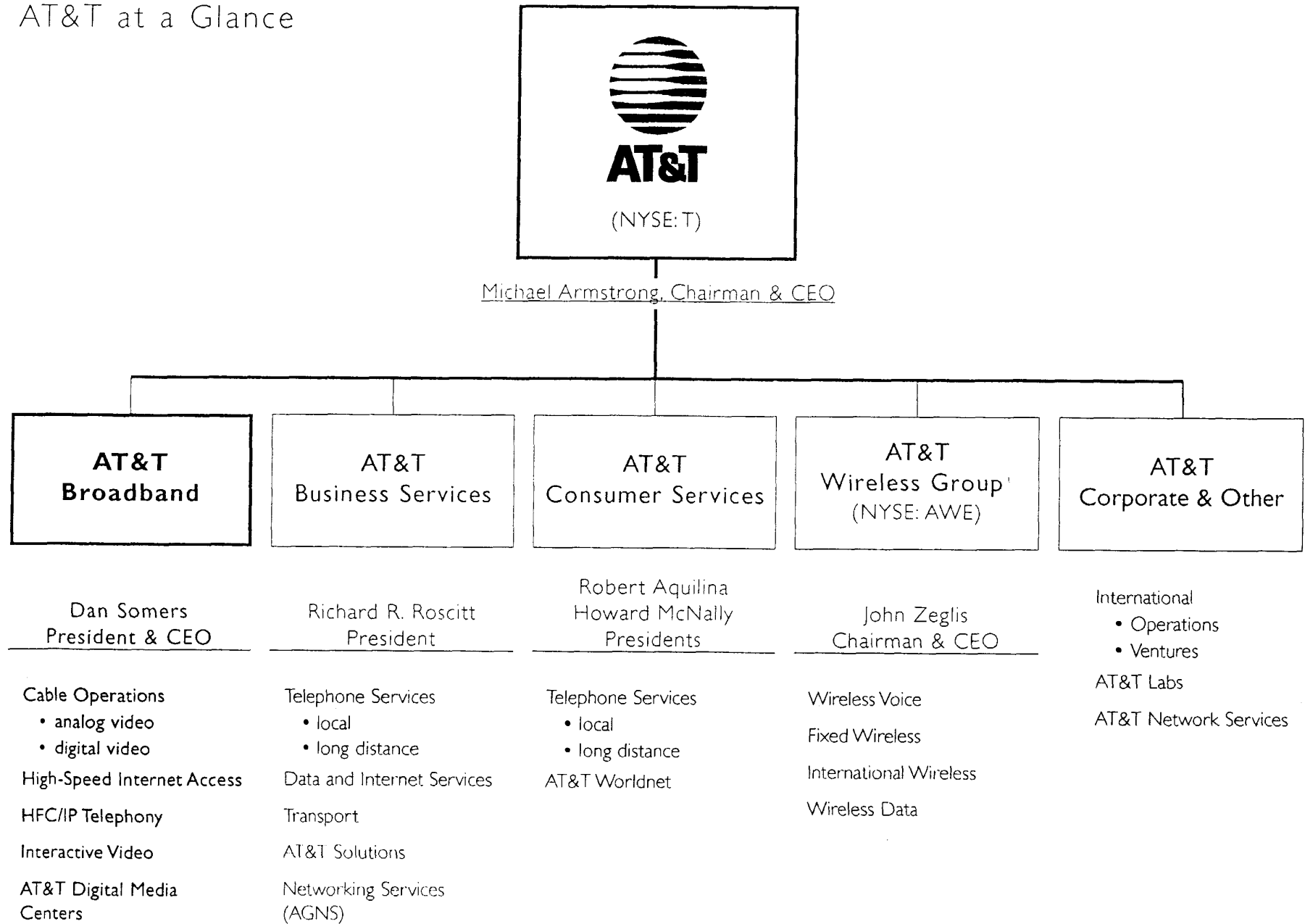
> 250,000 subscribers. Information as of 6/30/00



Key Operating Metrics

Proforma for the merger with MediaOne	2Q 2000	2Q YOY%
Digital Cable Customers	2,239,000	69.2%
Broadband Telephone Customers	224,000	748.2%
High Speed Data Customers	689,000	198.3%
New Services RGUs (Revenue-Generating Units / Digital Video + Telephone + HSD)	3,152,000	99.4%
Total Video Revenue Per Basic Sub	\$45.67	7.7%
Total Broadband Revenue Per Basic Sub	\$49.07	10.3%

AT&T at a Glance



¹ In April 2000, AT&T issued a separate trading stock (NYSE: AWE) to reflect the economic performance of its Wireless assets.